

MEMO

DATE: November 9, 2005

TO: Regional Comprehensive Plan Task Force

FROM: Annie Nam, Senior Regional Planner; (213) 236-1827; nam@scag.ca.gov

SUBJECT: Regional Comprehensive Plan, Finance Component

RECOMMENDED ACTION:

Provide staff guidance/input on the recommended approach/scope for developing the financial component of the Regional Comprehensive Plan.

SUMMARY:

Currently staff anticipates engaging consultant assistance to develop financial strategies for each of the planning and resource management areas covered in the RCP. Specifically, funding opportunities would be identified for the development of new infrastructure; project specific and more general environmental/community mitigation needs; as well as local/community services. Financial strategies are expected to serve as incentives to local governments for consistent planning and implementation.

BACKGROUND:

Staff does not anticipate providing a full scale chapter on financial strategies for the RCP. Rather, a brief discussion of recommended financing options will be detailed at the close of each planning and resource management area chapter. Further, a “special focus section” will tie together each of the chapter discussion on financial strategies—providing a cross-cutting overview.

The preparation of the financial strategies will be iterative in nature—closely coordinated with ongoing work development for each of the RCP area chapters. The following discussion detailing the proposed scope of work has been provided for RCP task force review and feedback:

Proposed Scope of Work

Evaluate Extent of Infrastructure System/Associated Mitigation and Funding Needs

Consider the extent and condition of the region’s infrastructure system and financial needs consistent with the programs and specific planning strategies identified in the nine chapters of the RCP. This review should identify development capital requirements such as real estate, infrastructure, equipment and programmatic administration costs; operating/maintenance expenses as may be applicable; as well as environmental/community mitigation and local/service needs.

Identify Currently Available Resources and Estimated Funding Shortfalls

Prepare a regional inventory documenting current infrastructure resources for construction, maintenance, and mitigation. Assess any funding shortfalls associated with implementing the planning strategies identified in the RCP chapters as may be applicable.

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Develop a Report Identifying and Evaluating Alternative Funding/Financing Mechanisms

Analyze a range of financing alternatives. Provide an evaluation of all feasible sources of capital and financing mechanisms available—establishing linkages between the various planning and resource management area chapters to develop a comprehensive strategy for the SCAG region. Specific funding options to consider are as follows:

- Potential changes to land-use related policies/decisions that would capture value and generate revenue streams for proposed infrastructure improvement and mitigation initiatives.
- Application of tax incentives and/or financing instruments currently used in one sector of infrastructure development or resource management area to another.
- Consideration of precedents set by urban redevelopment authorities, federal and state agencies in developing funding programs that are more specifically adaptable at the regional level for a broader array of infrastructure projects and mitigation/local service needs.
- The leveraging of private capital for infrastructure and mitigation needs—reviews of public-private financing structures utilized elsewhere in the country and internationally.

In the evaluation of these kinds of funding/financing options, specific relevance to the SCAG region and associated costs/benefits should be carefully examined.

Recommend Specific Financial Strategies for the RCP

After analyzing financing alternatives, the most advantageous financing structures/mechanisms/incentives will be identified. Further, any administrative or regulatory/legal reforms needed to implement the financial strategies will be identified.

Incorporate Stakeholder Input/Feedback to Prepare Final “Special Focus Section” Report

The final financial strategies report should be prepared with the ongoing guidance of the RCP task force and other appropriate task forces/policy committees and relevant stakeholders.